# Making Benefits Easier to Understand

Under the Affordable Care Act (ACA), all health insurance companies and employers offering coverage must use the same standard form to summarize the benefits and coverage offered under the plan. With standardized forms, consumers are able to compare plans when enrolling in coverage, regardless of whether it's available through an employer or Marketplace, and better understand the benefits and costs under the plan once enrolled.

The standard format, known as the summary of benefits and coverage (SBC), includes information on important elements of the coverage, such as the deductible, co-pays, services not covered, and whether enrollees need a referral to see a specialist. These are presented in a way that makes it easier for consumers to make comparisons of their coverage options. The SBC must also include "coverage examples" of some common medical conditions, which will give consumers a rough estimate of cost for each condition in order to compare plans, but won't provide specific information on what an individual's actual costs may be. All health insurance companies and employer plans must also provide consumers with a uniform glossary of terms commonly used in health insurance coverage, such as "deductible," "non-preferred provider" and "coinsurance."

**Some additional points to keep in mind:**

- If an employer offers some benefits under a separate policy, such as prescription drug coverage or mental health services, it can provide multiple forms. Be sure you have all the SBCs for your coverage so you can get a complete picture of your total benefits and costs.
- The SBC requirement applies to all plans, whether you buy yours on your own or get it through an employer.
- The SBC must tell you if your coverage qualifies as minimum essential coverage (MEC). If your plan provides MEC, it will meet the requirement to have coverage and you won't owe a penalty.
- The SBC must also tell you if your coverage provides minimum value. Employees that are offered job-based plans that fail to provide minimum value may be eligible for financial assistance for a Marketplace plan.
- Health plans must automatically provide the standard summary to a person who completes an application for coverage or to any person who requests a summary within 7 days. Employers must provide the summary when coverage renews (30 days prior to renewal) and upon request within 7 business days. Employers must also provide an updated summary if there is substantial mid-year change in coverage that would affect the content of the SBC.

For a sample of the summary of coverage click here, or go to:

www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/sbc-template-accessible.pdf

To see the uniform glossary of terms click here, go to:

http://www.cms.gov/CCIIO/Resources/Files/Downloads/uniform-glossary-final.pdf